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RECORDATION NO. 21888-4 FILED

OCT 19 '01 1:08 PM

SURFACE TRANSPORTATION BOARD

October / 9 2001

Recordation No. 21888-U

Dear Mr. Williams:

On behalf of BTM Capital Corporation, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a secondary document, not previously recorded, entitled Amended and Restated Security Agreement ("Amendment") dated as of October / 9, 2001.

The parties to the enclosed Amendment are:

BTM Capital Corporation, (as collateral agent for the Secured Parties) 125 Summer Street Boston, MA 02110	-	SECURED PARTY/for indexing <u>MORTGAGEE</u>
Flex Leasing I, LLC Suite 300 234 Front Street San Francisco, CA 94111	-	BORROWER/for indexing <u>MORTGAGOR</u>

The said Amendment, among other things, grants a security interest by the Borrower to the Secured Party in ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED and the leases of the said equipment. Specific units of equipment are listed without limitation in Schedule 1 to the Amendment.

The Amendment should be recorded under Recordation No. 21888-U.

The equipment covered by the instant Amendment is ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED including, without limitation, the units of equipment in Schedule 1 attached to the Amendment.

As short summary of the Amendment to appear in the Surface Transportation Board Index is as follows:

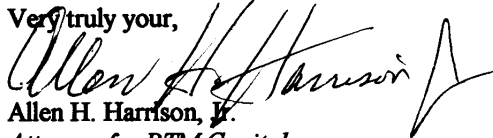
JP

"Covers all equipment now owned or hereafter acquired and the leases thereof including, without limitation the units of equipment in Schedule 1 attached to the Amendment and Restated Security Agreement."

Enclosed is a check in the amount of twenty-eight dollars which is in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter from the Surface Transportation Board acknowledging the filing and the two extra copies of this letter of transmittal.

Very truly your,



Allen H. Harrison, Jr.
*Attorney for BTM Capital
Corporation, for the purpose
of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

BY HAND

8212-020

RECORDATION NO. 21888 U FILED

OCT 19 '01 1:08 PM

SURFACE TRANSPORTATION BOARD

AMENDED AND RESTATED SECURITY AGREEMENT

made by

FLEX LEASING I, LLC

to

BTM CAPITAL CORPORATION
as Collateral Agent

Dated as of October 19, 2001

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Schedule 1	Description of Existing Units
Schedule 2	Descriptions of Commercial Tort Claims
Exhibit A	Form of Security Agreement Supplement

This AMENDED AND RESTATED SECURITY AGREEMENT, dated as of October 19, 2001 (as the same may be amended, supplemented or otherwise modified from time to time, this "Security Agreement"), is made by FLEX LEASING I, LLC, a limited liability company organized under the laws of the State of Delaware (the "Borrower"), to BTM CAPITAL CORPORATION, as collateral agent (the "Collateral Agent") for the Secured Parties (as defined below).

PRELIMINARY STATEMENTS

1. The Borrower made that certain Security Agreement, dated as of December 22, 1998 (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Security Agreement"), to the Collateral Agent.

2. The Borrower has entered into a Second Amended and Restated Loan Agreement, dated as of the date hereof (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), with each Lender that is or may be from time to time a party thereto and BTM CAPITAL CORPORATION, as Agent and Loan Underwriter, among other things, in order to amend and restate the Existing Loan Agreement (as defined therein). Pursuant to the Loan Agreement, the Lenders have agreed to make certain Loans to the Borrower and the Borrower has agreed, among other things, to repay the Loans, with interest thereon and to pay to the Agent and the Lenders certain fees and expenses, all in accordance with the Loan Agreement.

3. The Borrower, the Collateral Agent and State Street Bank and Trust Company, in its capacity as depository (the "Depository"), have entered into an Amended and Restated Depository Agreement, dated as of the date hereof (as the same may be amended, supplemented or otherwise modified from time to time, the "Depository Agreement"), providing for, among other things, the continued appointment of the Depository, the establishment of the Accounts and the application of the proceeds of the Collateral.

4. It is a condition to amending and restating the Existing Loan Agreement that the Existing Security Agreement be amended and restated as set forth herein with the intent that the liens granted therein continue to secure the obligations under the Loan Agreement and other Loan Documents as provided herein.

5. It is a condition to the issuance of the MBIA Insurance Policy and the Insurance Agreement that this Security Agreement be executed and delivered.

6. The Borrower and the Collateral Agent desire to amend and restate the Existing Security Agreement in its entirety as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and in order to induce the Lenders to enter into the Loan Agreement and the Series Enhancer to enter into the Insurance Agreement and issue the MBIA Insurance Policy, to make available to the Borrower such credit facility and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that

the Existing Security Agreement is hereby amended and restated, without novation, in its entirety as follows:

SECTION 1. Definitions

(a) Definitions Not Defined Herein. "Chattel Paper," "Commercial Tort Claim," "Deposit Account," "Document," "Equipment," "General Intangibles," "Goods," "Instrument," "Inventory," "Investment Property," "Letter of Credit," "Letter-of-credit Right," "Proceeds," "Promissory Note," "Software," "Supporting Obligation," and any other term used herein (unless otherwise defined herein or in the Loan Agreement) that is defined in the New York Uniform Commercial Code (as amended from time to time, the "UCC") shall have the meanings given to such terms from time to time in the UCC. Other capitalized terms used and not defined herein (including those used in the foregoing recitals) shall have the meanings attributed to them in the Loan Agreement.

(b) Certain Definitions. In this Security Agreement the following capitalized terms have the respective meanings indicated here below (such meanings to be equally applicable to both the singular and the plural form of the terms defined):

"Accounts" has the meaning set forth in the Depositary Agreement.

"Accounts Receivable" means all "accounts" as such term is defined in the UCC.

"Collateral" has the meaning set forth in Section 2.

"Contracts" means any and all contracts, leases and security agreements (other than Leases) granting the Borrower rights to any General Intangibles.

"FRA" means the Federal Railroad Administration of the United States Department of Transportation or the Federal Railroad Administrator, as the context shall require.

"Intellectual Property" means all intellectual and similar property of every kind and nature, including inventions, designs, Patents, copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, computer programs and all intellectual property rights therein (other than such programs and rights in which, by their terms enforceable under applicable law, no security interest may be granted), Software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing and all other proprietary information.

"License" means any Patent License, Trademark License, copyright license or other similar license or sublicense in respect of Intellectual Property to which the Borrower is a party and which is material to the conduct of its business (other than

those license agreements which by their terms or by law prohibit assignment or a grant of a security interest by the Borrower as licensee thereunder).

"Patent License" means any written agreement granting to any third party any right to make, use or sell any invention on which a Patent, owned by the Borrower or which the Borrower otherwise has the right to license, is in existence, or granting to the Borrower any right to make, use or sell any invention on which a Patent, owned by any third party, is in existence, and all rights of the Borrower under any such agreement.

"Patents" means, collectively, (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Rolling Stock Collateral" means the units of railroad rolling stock (individually, a "Unit" and, collectively, the "Units") now owned or hereafter acquired by the Borrower, including without limitation, the Units identified on Schedule 1 attached hereto, in each case together with related appliances, parts, accessories, appurtenances, additions, improvements and other equipment or components of any nature installed thereon and replacements thereof and substitutions therefor.

"Secured Obligations" means the due and punctual payment by the Borrower of the Loan Obligations whether at maturity, by acceleration or otherwise and all other monetary obligations including fees, costs, expenses and indemnities, whether direct, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding) of the Borrower to the Secured Parties under the Loan Agreement and the other Loan Documents and the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Loan Agreement and the other Loan Documents (including, without limitation, this Security Agreement).

"Secured Party" means each, any or all of the Lenders, BTM Capital Corporation in its separate capacities as Agent, Collateral Agent and Loan Underwriter, and the Series Enhancer and the Swap Provider, or their successors or assigns.

"Security Agreement Supplement" means a supplement to this Security Agreement in substantially the form of Exhibit A hereto.

"Trademark License" means any written agreement granting to any third party any right to use any Trademark owned by the Borrower or which the Borrower otherwise has the right to license, or granting to the Borrower any right to use any

Trademark owned by any third party, and all rights of the Borrower under any such agreement.

"Trademarks" means, collectively, (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, existing or adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, any State of the United States or any similar offices in any other country or any political subdivision thereof, and all extensions or renewals thereof, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

"Unit" and "Units" have the meaning set forth under the definition of "Rolling Stock Collateral".

(c) General Interpretive Principles. For purposes of this Security Agreement except as otherwise expressly provided or unless the context otherwise requires:

(i) the terms defined in this Security Agreement have the meanings assigned to them in this Security Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(ii) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP as in effect on the date hereof;

(iii) references hereto to "Articles," "Sections," "Subsections" and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Security Agreement;

(iv) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

(v) the words "herein," "hereof," "hereunder" and other words of similar import refer to this Security Agreement as a whole and not to any particular provision; and

(vi) the term "include" or "including" shall mean without limitation by reason of enumeration.

SECTION 2. Pledge, Assignment and Grant of Security. As security for the payment or performance, as the case may be, in full of the Secured Obligations, the Borrower hereby assigns, pledges and grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in and lien on, all of the Borrower's right, title and interest in and to Equipment, Inventory, Accounts

Receivable, Goods, cash, cash equivalents, Deposit Accounts, General Intangibles (including payment intangibles) and Contracts, Investment Property, Intellectual Property, Documents, Chattel Paper, leases, lease agreements, lease contracts, leasehold interests, lessor's residual interests, Instruments, checks, notes, Promissory Notes, Letters of Credit, Letter-of-credit Rights, rights to payment for money or funds advanced or sold, Commercial Tort Claims, and all other personal property and fixtures or interests in property and fixtures of the Borrower, whether now owned or hereafter acquired, together with all Proceeds and products of any and all of the foregoing (including proceeds that constitute property of the types described herein, and, to the extent not otherwise included, all (i) payments under insurance (whether or not the Collateral Agent is a loss payee thereof), or any indemnity, warranty, guaranty or letter of credit, payable by reason of loss or damage to or otherwise with respect to any of the foregoing and (ii) any and all Supporting Obligations in respect of any of the foregoing) (collectively, the "Collateral"), including all of the Borrower's right, title and interest (now or hereafter existing) in, to and under the following:

(a) each Unit of Rolling Stock Collateral whether now owned or hereafter acquired by the Borrower, and whether or not set forth on Schedule 1 attached hereto or any Security Agreement Supplement;

(b) the Existing Leases and New Leases, including all Rent, Car Hire Payments, insurance proceeds, indemnity payments and all other amounts of any kind payable thereunder by the Lessees;

(c) the Lease Files (and all other instruments, documents, books, records, ledger sheets or cards, files, correspondence, computer programs, tapes, disks, and related data processing software (owned by the Borrower or in which it has an interest) that at any time evidence or contain information relating to any Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon);

(d) all of the Borrower's rights under the Servicing Agreement and each other Transaction Document;

(e) the Accounts and all monies, securities and Investment Property on deposit therein or credited thereto (including all interest and other income earned with respect thereto); and

(f) all Proceeds and products of any or all of the foregoing;

provided that the Borrower is not granting a security interest in (and the term "Collateral" shall not include) any Excluded Payment (except to the extent the Borrower has the right to set off against such amounts).

SECTION 3. Security for Secured Obligations. This Security Agreement secures the prompt and complete payment and performance of all Secured Obligations. Without limiting the generality of the foregoing, this Security Agreement also secures the payment of all amounts owed by the Borrower to the Secured Parties but for the fact that

they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower.

SECTION 4. Borrower Remains Liable. Anything herein to the contrary notwithstanding, (a) the Borrower shall remain liable under the Leases, the other Equipment Documents and all other contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Security Agreement had not been executed, (b) the exercise by the Collateral Agent of any of the rights hereunder shall not release the Borrower from any of its duties or obligations under any Lease, other Equipment Document or any other contract or agreement included in the Collateral, and (c) neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Lease, other Equipment Document or any other contract or agreement included in the Collateral by reason of this Security Agreement, nor shall the Collateral Agent or any Secured Party be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 5. Effect of Restatement. Effective as of the date of this Security Agreement, this Security Agreement amends and restates the Existing Security Agreement in its entirety. It is the intent of the parties hereto that this Security Agreement not constitute a novation and that the Lien granted by the Existing Security Agreement continue to secure the Secured Obligations as set forth herein. After the date hereof, all references in any Loan Document to the "Security Agreement" shall mean and be a reference to this Security Agreement.

SECTION 6. Covenants. The Borrower covenants and agrees as follows:

(a) The Borrower will faithfully abide by, perform and discharge each and every obligation, covenant and agreement to be performed by the Borrower under the Equipment Documents, and none of the Collateral Agent, the Series Enhancer nor any Lender shall be responsible for any of such obligations, covenants or agreements under any circumstances.

(b) The Borrower will immediately upon receipt of all checks, drafts, cash or other remittances in payment of any of its Accounts Receivable, contract rights or General Intangibles constituting part of the Collateral (other than, if no Event of Default has occurred and is then continuing, proceeds of any distribution under Section 3.03 of the Loan Agreement), or in payment for any Collateral sold, transferred, leased or otherwise disposed of, or in payment or on account of its Accounts Receivable, contracts, contract rights, notes, drafts, acceptances, or other General Intangibles and all other forms of obligation relating to any of the Collateral so sold, transferred or otherwise disposed of, deliver (such items to be held in constructive trust until delivery) any such items to the Depositary (or such other Person as Collateral Agent may direct in writing) accompanied by a remittance report in form supplied or approved by the Collateral Agent, such items to be delivered to the Depositary in the same form received, endorsed or otherwise assigned by the Borrower where necessary to permit collection of items and, regardless of

the form of such endorsement, the Borrower hereby waives presentment, demand, notice of dishonor, protest and notice of protest.

(c) The Borrower shall not (i) change the location of its chief executive office/chief place of business from that specified herein or remove its books and records from the location specified herein or (ii) change its name (including the adoption of any new trade name) from its proper limited liability company name set forth in the first paragraph of this Security Agreement, jurisdiction of formation, identity, or limited liability company structure, unless, in either such case, it shall have provided at least thirty (30) days' prior written notice to the Collateral Agent of any such change, and, prior to any such change, the Borrower shall have taken all actions necessary, or as required by this Section 6 or Section 7, to protect, preserve and maintain the assignment, pledge and security interest created hereby and the priority thereof.

(d) The Borrower shall maintain its status as a validly existing limited liability company, and shall remain qualified to do business and in good standing in all states and other jurisdictions in which the failure to be so qualified and in good standing would have a Material Adverse Effect or a material adverse effect on the ability of the Borrower to enforce any Lease with, or collection of Accounts Receivable due from, Persons residing in such locations.

(e) Upon the Borrower obtaining knowledge of the existence of any Commercial Tort Claim in excess of \$100,000 or, after the occurrence and during the continuance of any Event of Default if so requested by the Collateral Agent, any Commercial Tort Claim (each, an "Additional Tort Claim"), the Borrower shall promptly advise the Collateral Agent in writing, supplementing Schedule 2, which supplement shall constitute a grant by the Borrower to the Collateral Agent, for the benefit of the Secured Parties, of a security interest therein, on the terms, and subject to the conditions, set forth herein, and the Borrower's authorization to file, or to amend, such financing statements as the Collateral Agent may deem necessary or advisable to perfect its security interest in such Additional Tort Claim. It being understood and agreed that any Commercial Tort Claim constituting Proceeds of Collateral shall, as Proceeds, be subject to the Lien of this Security Agreement without any action taken on the part of the Borrower (and the Borrower shall not be obligated to take any such action with respect to such Commercial Tort Claims unless and until requested to do so by the Collateral Agent).

SECTION 7. Further Assurances.

(a) The Borrower agrees that from time to time, at the expense of the Borrower, the Borrower will promptly authenticate all further records, execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that may be reasonably requested by the Collateral Agent or the Series Enhancer, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder. Without limiting the generality of the foregoing, the Borrower will (i) authenticate or execute and file such financing or

continuation statements, or amendments thereto, and such other instruments or notices as may be necessary, or as the Collateral Agent or the Series Enhancer may reasonably request, in order to perfect and preserve the pledges, assignments and security interests granted or purported to be granted hereby, (ii) at the request of the Collateral Agent or the Series Enhancer, mark conspicuously each document included in the Inventory and each chattel paper included in the Collateral and each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Collateral Agent and the Series Enhancer, including that such document, chattel paper or record is subject to the pledge, assignment and security interest granted hereby, (iii) if any Collateral shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Collateral Agent hereunder such note or instrument or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Collateral Agent and the Series Enhancer and (iv) take such steps as the Collateral Agent or the Series Enhancer may reasonably request for the Collateral Agent (A) to obtain an acknowledgement, in form and substance satisfactory to the Collateral Agent and the Series Enhancer, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the Collateral Agent or (B) to obtain "control" of any Investment Property, Deposit Accounts, Letter-of-credit Rights or electronic chattel paper with any agreements establishing control to be in form and substance satisfactory to the Collateral Agent and the Series Enhancer. The Borrower hereby authorizes the Collateral Agent to execute and file one or more financing statements, continuation statements, amendments, memorandums and analogous documents with the applicable Governmental Entity (including the STB, the Registrar General of Canada and any applicable Mexican Governmental Entity) for the purpose of perfecting, confirming, continuing, enforcing or protecting the Lien of this Security Agreement with respect to any Collateral, without the signature of the Borrower, and naming the Borrower as debtor and the Collateral Agent as secured party (in each case, to the extent permitted by Applicable Law). A photocopy or other reproduction of this Security Agreement or any security agreement or financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by Applicable Law.

(b) The Borrower will furnish to the Collateral Agent and the Series Enhancer from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent or the Series Enhancer may reasonably request, all in reasonable detail. The Borrower hereby authorizes the Collateral Agent to regard its printed name or rubber stamp signature on statements or schedules as the equivalent of a manual signature by an authorized officer or agent of the Borrower.

SECTION 8. Corporate Existence; Name; Collateral Descriptions; Location of the Borrower, Contracts and the Units; Inspection.

(a) Corporate Existence; Name; Collateral Descriptions. The Borrower hereby represents and warrants that (i) it is a duly formed and validly existing limited liability company under the laws of the State of Delaware, is not organized under the

laws of any other state, and is qualified to do business and in good standing in all states and other jurisdictions in which a failure to be so qualified and in good standing would have a Material Adverse Effect or a material adverse effect on the ability of the Borrower to enforce collection on any Accounts Receivable due from Persons residing in such locations, (ii) the Borrower does not conduct (and has not in the past five (5) years conducted) any business under any name or trade name other than its proper limited liability company name, which is the name set forth in the first paragraph of this Security Agreement, (iii) the organizational identification number assigned to the Borrower by the State of Delaware is 2976510, (iv) Schedule 1 hereto together with the Security Agreement Supplements sets forth a complete and accurate description of the Units of Rolling Stock Collateral owned by the Borrower and (v) Schedule 2 hereto sets forth an accurate description of each Commercial Tort Claim in excess of \$100,000 owned by the Borrower of which the Borrower has knowledge.

(b) Location. (i) The Borrower shall maintain as a part of the Collateral, such records as are necessary to identify the location of any and all Rolling Stock Collateral which are subject to this Security Agreement. The Borrower's principal office and place of business, chief executive office and place where records are kept concerning the Collateral are maintained and located at 234 Front Street, San Francisco, California 94111 and have been maintained and located at such address for the five years preceeding the date of this Security Agreement. The Borrower shall inform the Collateral Agent of any other location of the Collateral, other than the Rolling Stock Collateral, or any change in the location of a significant portion of such Collateral prior to such change; provided, that, prior to any such change in location, the Borrower shall have taken all actions necessary, or as required by Section 7, to protect, preserve and maintain the assignment, pledge and security interest created hereby and the priority thereof.

(ii) Identification. The Borrower will cause each Unit to be kept numbered with the road number serial number as shall be set forth on Schedule 1 hereto or the applicable Security Agreement Supplement, and at any time that a Unit will be operated outside of the United States and it is necessary in order to perfect, protect or preserve the Collateral Agent's security interest in the Unit as first priority, valid and enforceable security interest, will mark in a prominent location on each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE UNITED STATES SURFACE TRANSPORTATION BOARD AND THE REGISTER GENERAL OF CANADA" or "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE UNITED STATES SURFACE TRANSPORTATION BOARD, THE REGISTER GENERAL OF CANADA AND [APPROPRIATE MEXICAN GOVERNMENTAL ENTITY]", as applicable. The Borrower shall not allow the name of any other Person to be placed on any Unit as a designation that might be identified as a claim of any interest therein; provided, however, that nothing herein contained shall prohibit the Borrower or its permitted lessees from placing its name, trademarks, initials, customary colors and other insignia on any Unit or from naming each Unit. The Borrower will not change the identification number of any Unit unless and until (A) a statement of a new number or numbers to be substituted therefor shall have been delivered to the Collateral Agent and the Series Enhancer and filed, recorded and deposited by the Borrower in all appropriate

public offices, including the public offices where this Security Agreement shall have been filed, recorded and deposited and (B) the Borrower shall have furnished to the Collateral Agent and the Series Enhancer, an opinion of counsel in form and substance reasonably satisfactory to the Collateral Agent and the Series Enhancer to the effect that such statement has been so filed, recorded and deposited, that such filing, recordation and deposit will protect the Collateral Agent's interest in the Units, and that no other filing, recording, deposit or giving of notice to any Governmental Entity is necessary to protect such interest (other than in Mexico, unless a Mexican Security Interest Determination has been made).

(c) Inspection. At all reasonable times, the Collateral Agent, each Secured Party or their respective authorized representatives shall each have the right at their own risk and expense (except as set forth below) to inspect any Collateral (provided that, in the case of any Unit then subject to a Lease, such action is taken in accordance with the terms of such Lease) and inspect (and make copies of) the Borrower's records with respect thereto. None of the Collateral Agent, Secured Parties or any other Person shall have any duty to make any such inspection nor shall any of them incur any liability or obligation by reason of not making any such inspection. During the continuance of an Event of Default, such inspection shall be at the Borrower's expense.

SECTION 8A. Additional Representations and Warranties.

(a) This Security Agreement creates a valid and continuing security interest (as defined in the UCC) in the Collateral in favor of the Collateral Agent for the ratable benefit of the Secured Parties, which security interest is prior to all other Liens, and is enforceable as such against creditors of and purchasers from the Borrower.

(b) The Borrower has good and marketable title to the Collateral free and clear of any Lien, claim or encumbrance of any Person, subject only to Permitted Liens.

(c) On the Restatement Effective Date and each Funding Date, all filings, deposits, registrations and other recordations shall have been accomplished with respect to the Security Agreement and the applicable Security Agreement Supplement in the United States, Canada and, after a Mexican Security Interest Determination (and in accordance with such Mexican Security Interest Determination), Mexico (and in each political subdivision thereof) as may be required by Applicable Law to establish and perfect the Collateral Agent's rights in and to the Collateral therein, and any giving of notice or any other action to such end required by Applicable Law has been given or taken (or solely in the case of notice in The Canada Gazette, with respect to any Funding Date after the Restatement Effective Date, will be taken within 30 days of such Funding Date).

(d) Other than the security interest granted to the Collateral Agent pursuant to this Security Agreement (or the Existing Security Agreement), the Borrower has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral. The Borrower has not authorized the filing of and is not aware of any financing statements against the Borrower that include a description of collateral

covering the Collateral other than any financing statement relating to the security interest granted to the Collateral Agent hereunder (or under the Existing Security Agreement) or that has been terminated. The Borrower is not aware any judgment or tax lien filings against the Borrower.

(e) No creditor of the Borrower other than the Collateral Agent has in its possession any of the Collateral a security interest in which is perfected by possession under the UCC.

(f) The representations and warranties made in this Section 8A shall survive the execution and delivery of this Security Agreement.

(g) No waiver of any of the representations and warranties made in this Section 8A shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Collateral Agent and consented to by the Majority Lenders or, as and to the extent required pursuant to Section 9.01 of the Loan Agreement, all the Lenders and the Series Enhancer, and then such waiver shall be effective only in the specific instances and for the specific purpose for which given.

(h) The Servicer shall cause the Borrower to authenticate all further records and execute and, at the Borrower's expense, file such continuation statements and any other documents prepared by the Servicer which are reasonably requested by the Collateral Agent or the Series Enhancer or which may be required by Applicable Law to fully preserve and protect the interest of the Collateral Agent on behalf of the Secured Parties, as their interests may appear, in and to the Collateral.

(i) The Collateral constitutes collateral within the meaning of the UCC of the types defined in Section 9-102 of the UCC.

SECTION 9. Collateral Agent Appointed Attorney-in-Fact. The Borrower irrevocably authorizes the Collateral Agent and does hereby make, constitute and appoint the Collateral Agent and any officer or agent of the Collateral Agent, with full power of substitution, as the Borrower's true and lawful attorney-in-fact, with power, in its own name or in the name of the Borrower to endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession or control of the Collateral Agent, to sign and endorse any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; to pay or discharge Taxes or Liens at any time levied or placed on or threatened against the Collateral; to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; and generally, to do, at the Collateral Agent's option and at the Borrower's expense, at any time, or from time to time, but subject to the provisions of this Security Agreement, all acts and things which the Collateral Agent deems necessary to protect, preserve and realize upon the Collateral and the Collateral Agent's security interests therein and in order to effect the intent of this

Security Agreement all as fully and effectually as the Borrower might or could do; and the Borrower hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be coupled with an interest and shall be irrevocable for the term of this Security Agreement and thereafter as long as any of the obligations of the Borrower under the Notes, this Security Agreement or any other Loan Document shall be outstanding. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon the Collateral Agent to exercise any such powers. The Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act, except for its own gross negligence or willful conduct.

SECTION 10. Collateral Agent May Perform. If the Borrower fails to perform any agreement contained herein or in any of the Loan Documents, the Collateral Agent may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Collateral Agent incurred in connection therewith shall be payable by the Borrower promptly upon demand. The Collateral Agent shall use its good faith efforts to give prior or contemporaneous notice to the Borrower in connection with the exercise by the Collateral Agent of its rights under this Section; provided, that the failure to give any such notice shall not limit the Collateral Agent's right to exercise any such right or expose the Collateral Agent to any liability hereunder.

SECTION 11. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care (the cost and expense of which shall be for the Borrower's account payable upon demand) with respect to the custody of any Collateral in its actual possession, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral and no such duties shall be implied as arising hereunder. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which it accords its own property and no such duties shall be implied as arising hereunder.

SECTION 12. Remedies.

(a) If an Event of Default shall have occurred and be continuing, then the Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in any relevant jurisdiction the laws of which govern the perfection of security interests hereunder to enforce this Security Agreement and the security interests contained herein and also may take possession of all or any part of the Collateral and may exclude the Borrower and all Persons claiming under any of them wholly or partly therefrom.

(b) Upon the occurrence of an Event of Default, at the request of the Collateral Agent, the Borrower shall promptly authenticate all further records and execute and deliver to the Collateral Agent such instruments of title and other documents as the Collateral Agent may deem necessary or advisable to enable the Collateral Agent, at such time or times and place or places as the Collateral Agent may specify, to obtain possession of all or any part of the Collateral to whose possession the Collateral Agent shall at the time be entitled hereunder. If the Borrower shall for any reason fail to execute and deliver such instruments and documents after the request by the Collateral Agent, the Collateral Agent may (i) obtain a judgment conferring on the Collateral Agent the right to immediate possession and requiring the Borrower to execute and deliver such instruments and documents to the Collateral Agent, to the entry of which judgment the Borrower hereby specifically consents, and (ii) pursue all or part of such Collateral wherever it may be found and, subject to the provisions of the relevant Lease, may enter any premises where such Collateral may be or is purported to be and search for such Collateral and take possession of and remove such Collateral. All expenses of obtaining such judgment or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Security Agreement

(c) Upon taking of possession pursuant hereto, the Collateral Agent may, from time to time, at the expense of the Borrower, make all such expenditures for maintenance, insurance, repairs, replacements and alterations to any of the Collateral, as it may deem proper and commercially reasonable. In such case, the Collateral Agent shall have the right (but not the obligation) to maintain, use, operate, store, lease, control or manage the Collateral and to carry on the business and to exercise all rights and powers of the Borrower relating to the Collateral, as the Collateral Agent shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, leasing, control, management or disposition of the Collateral or any part thereof as the Collateral Agent may determine; and the Collateral Agent shall be entitled to collect and receive directly all tolls, rents (including Rent, Car Hire Payments and all other amounts due under any Lease), revenues, issues, income, products and profits of the Collateral and every part thereof, without prejudice, however, to the right of the Collateral Agent under any provision of this Security Agreement and the Loan Documents to collect and receive all cash held by, or required to be deposited with, the Borrower hereunder. Such tolls, rents (including Rent, Car Hire Payments and all other amounts due under a Lease), revenues, issues, income, products and profits shall be applied to pay the expenses of the use, operation, storage, leasing, control, management or disposition of the Collateral and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Collateral Agent may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Collateral or any part thereof (including the employment of engineers and accountants to examine, inspect and report upon the properties and books and records of the Borrower), and all other payments which the Collateral Agent may be required or authorized to make under any provision of this Security Agreement or any Loan Document, as well as just and reasonable compensation for the services of the Collateral Agent, and of all Persons engaged and employed by the Collateral Agent.

(d) (i) In addition, the Collateral Agent may sell, assign, transfer and deliver the whole, or from time to time to the extent permitted by Applicable Law, any part of the Collateral or any interest therein, at any private sale or public auction with or without demand, advertisement or notice (except as herein required or as may be required by Applicable Law) of the date, time and place of sale and any adjustment thereof for cash or credit or other property for immediate or future delivery and for such price or prices and on such terms as the Collateral Agent may determine, or as may be required by Applicable Law. Where reasonable notice to the Borrower of any such sale is required, it is agreed that 10 Business Days' notice to the Borrower of the date, time and place (and terms, in the case of a private sale) of any proposed sale by the Collateral Agent of the Collateral or any part thereof or interest therein is reasonable. The Collateral Agent may be a purchaser of the Collateral or any part thereof or any interest therein at any sale thereof, whether pursuant to foreclosure or power of sale or otherwise. The Collateral Agent may apply against the purchase price therefor such amounts then constituting Secured Obligations as the Collateral Agent may select. The Collateral Agent shall, upon any such purchase, acquire good title to the property so purchased, to the extent permitted by Applicable Law, free of all rights of redemption.

(ii) Upon any sale of the Collateral or any part thereof or interest therein, whether pursuant to foreclosure or power of sale or otherwise, the receipt of the official making the sale by judicial proceeding or of the Collateral Agent shall be sufficient discharge to the purchaser for the purchase money and neither such official nor such purchaser shall be obliged to see to the application thereof.

(iii) If an Event of Default shall have occurred and be continuing, the Collateral Agent shall, as a matter of right, be entitled to appoint a receiver or agent or representative (who may be the Collateral Agent or any successor or nominee thereof) for all or any part of the Collateral, whether such receivership or agency or representation be incidental to a proposed sale of the Collateral or the taking of possession thereof, the exercise of remedies under this Security Agreement or any Lease or otherwise, and the Borrower hereby consents to the appointment of such a receiver or agent or representative and will not oppose any such appointment. Any receiver or agent or representative appointed for all or any part of the Collateral shall be entitled to exercise all rights of the Collateral Agent under this Security Agreement and the other Loan Documents to the extent provided in such appointment and shall be entitled to exercise all the powers and pursue all the remedies of the Collateral Agent hereunder and with respect to the Collateral.

(iv) Any sale of the Collateral or any part thereof or any interest therein, whether pursuant to foreclosure or power of sale or otherwise hereunder, shall forever be a perpetual bar against the Borrower, after the expiration of the period, if any, during which the Borrower shall have the benefit of redemption laws which may not be waived pursuant to clause (i) above. Subject to the provisions of this Security Agreement, the Borrower covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisalment, valuation, stay or extension law wherever enacted, nor at any time hereafter in force, in order to prevent or hinder the enforcement of this Security

Agreement or the execution of any power granted herein to the Collateral Agent, or the absolute sale of the Collateral, or any part thereof, or the possession thereof by any purchaser at any sale under this Section; and the Borrower for itself and all who may claim under it, so far as it or any of them now or thereafter lawfully may, waives all right to have the Collateral marshaled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Security Agreement may order the sale of the Collateral as an entirety.

(e) Each and every right, power and remedy herein given to the Collateral Agent specifically or otherwise in this Security Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Collateral Agent, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Collateral Agent in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Borrower or to be an acquiescence therein.

(f) If the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Security Agreement by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the Borrower, each Secured Party and the Collateral Agent shall, subject to any binding determination in such proceeding, be restored to their former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceedings had been instituted.

(g) Upon the occurrence of an Event of Default, the Collateral Agent may, in its sole discretion, apply all or any portion of the Liquidity Reserve Facility and the Supplemental Liquidity Reserve Facility, amounts on deposit in the Collection Account, Deposits, Reserves and any other amounts on deposit in any Account (except the MTM Exposure Reserve Account) against the Secured Obligations and the Loan Obligations as provided in the Loan Agreement subject, in the case of the Deposits and Reserves, to the right of any Lessee under any Lease.

(h) Notwithstanding anything to the contrary set forth in this Security Agreement or any other Loan Document and unless otherwise consented to by the Required Lenders, any amount that is payable or distributable to the Borrower or any Equity Investor shall not be paid or distributed so long as an Event of Default shall be continuing, and any amounts so held may, in the sole discretion of the Required Lenders, be applied against any of the Borrower's obligations hereunder or under any other Loan Document.

(i) Notwithstanding anything to the contrary set forth in this Security Agreement or any other Loan Document, the parties hereto acknowledge that the Borrower's right, title and interest in and to the Rolling Stock Collateral, and the Collateral Agent's remedies with respect thereto, may be subject to the leasehold interests of a Lessee pursuant to a Lease. So long as no default exists under such Lease and the terms of the Lease do not otherwise permit, the Collateral Agent shall not interfere with the possession, use and quiet enjoyment, in accordance with the terms of such Lease, of such Lessee or any permitted sublessee of the Units leased thereby.

SECTION 13. Other Security. To the extent that the obligations of the Borrower under the Loan Agreement, Notes, this Security Agreement or any other Loan Document are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other Person, then the Collateral Agent shall have the right in its sole discretion to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Collateral Agent's rights and remedies hereunder.

SECTION 14. Assignment Rights.

(a) The Borrower acknowledges that the pledges and assignments for security herein are irrevocable and agrees that it will not, while said pledges and assignment are in effect or thereafter until the Borrower has received from the Collateral Agent notice of the termination of the Lien of this Security Agreement, take any action as Lessor under any Lease or otherwise which is inconsistent with this Security Agreement or make any other assignment, designation or direction inconsistent herewith and that any assignment, designation or direction inconsistent herewith shall be void.

(b) The Borrower and the Collateral Agent acknowledge that the rights, powers, privileges, options and benefits assigned by the Borrower hereunder include the following: following the occurrence of an Event of Default, the right to make claim for, receive and collect (and to apply the same to the payment of the principal of, Prepayment Fee or Breakage Loss, if any, and interest on the Notes and other Secured Obligations) all Rents, Car Hire Payments, income, revenues, issues, profits, insurance proceeds, condemnation awards, and other sums payable or receivable under any Lease or Contract or pursuant thereto, and to make all waivers and agreements, to give and receive all notices and other instruments, to take all action upon the happening of an event of default under any Lease or Contract, including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of any Lease or Contract or by Applicable Law, and to do all other things which the Borrower or any lessor is or may become entitled to do under any Lease or Contract.

SECTION 15. Indemnity and Expenses. The Borrower agrees to indemnify and hold harmless the Collateral Agent, its officers, directors, employees, professional advisors and Affiliates from and against any and all claims, losses and liabilities (including reasonable attorneys' fees) arising out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security

Agreement or by reason of any proceeding initiated by a Person), except claims, losses or liabilities resulting from the Collateral Agent's gross negligence or willful misconduct.

SECTION 16. Amendments; Etc. No amendment or waiver of any provision of this Security Agreement, and no consent to any departure by the Borrower herefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Collateral Agent and consented to by the Majority Lenders or, as and to the extent required pursuant to Section 9.01 of the Loan Agreement, all the Lenders and the Series Enhancer, and then such waiver or consent shall be effective only in the specific instances and for the specific purpose for which given.

SECTION 17. Notices; Etc. All notices and other communications provided for hereunder shall be in writing (including facsimile communication) and mailed, telecopied or delivered by mail, messenger or overnight courier to the Persons and at the places provided for in Section 9.02 of the Loan Agreement.

SECTION 18. Survival. (a) All agreements, statements, representations and warranties made by the Borrower herein or in any certificate or other instrument delivered by the Borrower or on its behalf under this Security Agreement shall be considered to have been relied upon by the Collateral Agent and the Secured Parties and shall survive the execution and delivery of this Security Agreement and the other Loan Documents and shall be deemed to have been remade on and as of the date on which any additional Secured Obligations are created, regardless, in any case, of any investigation made by the Collateral Agent or any Secured Party or on their behalf.

(b) The indemnity obligations of the Borrower contained herein shall continue in full force and effect notwithstanding full payment of the Notes under the Loan Agreement and all of the other Secured Obligations and notwithstanding the discharge thereof.

SECTION 19. Severability. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity or enforceability of any provision in any other jurisdiction.

SECTION 20. Termination. Upon an Event of Loss to, or, to the extent permitted under the Loan Agreement, the sale of, a Unit of Rolling Stock Collateral, and compliance by the Borrower with all of the provisions of the Loan Agreement in connection with such Event of Loss or sale, including the prepayment of the Loan Obligations as provided therein, if required, the provisions of this Security Agreement, to the extent relating to such Unit of Rolling Stock Collateral, and all grants and assignments hereunder, to the extent relating to such Unit of Rolling Stock Collateral, shall terminate, and all right, title and interest of the Collateral Agent in and to such Rolling Stock Collateral and the proceeds thereof shall revert to the Borrower; provided, that the indemnification provisions hereof shall survive any such termination or reversion. The Collateral Agent shall, at the Borrower's expense, execute and deliver any evidence of such release as the Borrower may reasonably require.

SECTION 21. Continuing Security Interest: Termination. (a) This Security Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the Loan Agreement has been terminated and the Borrower has provided for the payment and satisfaction in full of the Secured Obligations (other than contingent indemnity obligations) owed by the Borrower thereunder. This Security Agreement shall be binding upon the Borrower, its successors and assigns and shall inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Secured Parties and their successors and assigns. The Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefor.

(b) Upon the termination of this Security Agreement pursuant to the terms hereof, this Security Agreement and the security interest granted hereby shall automatically terminate and all rights to the Collateral shall be vested in the Borrower free and clear of any interests of the Collateral Agent, the Agent, all Lenders, the Swap Provider, the Senior Enhancer, or any other Secured Party. Upon any such termination of security interest, the Collateral Agent shall return to the Borrower, at the Borrower's expense, any of the Collateral held by the Collateral Agent as shall not have been sold or otherwise applied pursuant to the terms hereof and the Collateral Agent will, at the Borrower's expense, execute and deliver to the Borrower executed UCC-3 termination statements and such other documents as the Borrower shall reasonably request to evidence such termination.

SECTION 22. Reinstatement. This Security Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Collateral Agent in respect of the obligations of the Borrower is rescinded or must otherwise be restored or returned by the Collateral Agent upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon the appointment of any intervenor or conservator of, or trustee or similar official for, the Borrower or any substantial part of its assets, or otherwise, all as though such payments had not been made.

SECTION 23. Exercise of Remedies. In connection with the exercise of its remedies pursuant to this Security Agreement, the Collateral Agent may (i) exchange, enforce, waive or release any portion of the Collateral; (ii) apply such Collateral and direct the order or manner of sale thereof as the Collateral Agent may, from time to time, determine; and (iii) settle, compromise, collect or otherwise liquidate any such Collateral in any manner, without affecting or impairing the Collateral Agent's right to take any other further action with respect to any Collateral or any part thereof, except as otherwise provided by applicable law.

SECTION 24. License. The Collateral Agent is hereby granted a license or other right to use, following the occurrence and during the continuance of an Event of Default, without charge, (a) the Borrower's trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in preparing and advertising for sale, and selling any Collateral and (b) the

Borrower's rights under all licenses and all franchise agreements shall inure to the Collateral Agent's benefit.

SECTION 25. Injunctive Relief. The Borrower recognizes that in the event the Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Security Agreement, any remedy of law may prove to be inadequate relief to the Collateral Agent and the Secured Parties therefor. The Borrower agrees that the Collateral Agent and the Secured Parties, if they so determine and request, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages or posting any bond or other security and the Borrower waives any legal requirement for the posting of a bond or other security as a condition to the granting of such injunctive relief.


SECTION 26. Retention. Under no circumstances shall the Collateral Agent be deemed to have elected to retain possession of all or any part of the Collateral in satisfaction of all or any part of the Secured Obligations unless the Collateral Agent has given the Borrower written notice of a proposal to do so pursuant to the provisions of the UCC expressly specifying the procedure for retention of collateral in satisfaction of the obligations it secures, regardless of the length of time the Collateral remains in the Collateral Agent's possession after an Event of Default. Under no circumstances shall the Collateral Agent have any liability as a result of a decline in the market value of the Collateral while the Collateral Agent holds it.

SECTION 27. GOVERNING LAW; TERMS. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, PROVIDED, HOWEVER, THAT TO THE EXTENT APPLICABLE THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. 11301.

SECTION 28. Execution in Counterparts. This Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Borrower has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

FLEX LEASING I, LLC

By: 
Name: D. P. Hayes
Title: President

Agreed and Accepted:

BTM CAPITAL CORPORATION,
not in its individual capacity but solely
as Collateral Agent

By: _____
Name:
Title:

[Amended and Restated Security Agreement]

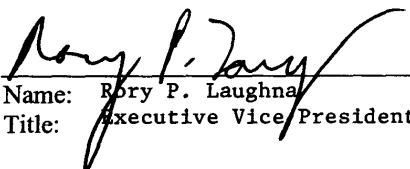
IN WITNESS WHEREOF, the Borrower has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

FLEX LEASING I, LLC

By: _____
Name:
Title:

Agreed and Accepted:

BTM CAPITAL CORPORATION,
not in its individual capacity but solely
as Collateral Agent

By:  _____
Name: Rory P. Laughna
Title: Executive Vice President

[Amended and Restated Security Agreement]

SS.

I, Joan M. Juster

 **JOAN M. JUSTER**
Commission # 1310983
Notary Public - California
San Francisco County
My Comm. Expires Jun 28, 2006

Joan M. Justice
Notary Public

June 28, 2005

[Amended and Restated Security Agreement]

COMMONWEALTH OF MASSACHUSETTS)
) SS.
COUNTY OF SUFFOLK)

I, Mark A. Helman, a Notary Public in and for the County and Commonwealth of aforesaid, certify that Rory P. Laughna personally came before me this day and acknowledged that he is the Executive Vice President of BTM Capital Corporation, a Delaware corporation, and that by authority duly given and as the act of said corporation, the foregoing instrument was signed by him in its name.

Witness my hand and official seal this 10th day of October, 2001.

Mrs. C. H. H. H.
Notary Public

[Notarial Seal]

My Commission Expires:

June 16, 2006

[Amended and Restated Security Agreement]

SCHEDULE 1

Description of Existing Units

<u>Car Marks</u>	<u>Car Numbers</u>	<u>No. of Cars</u>
APOX	98001-98280	280
CORP	9300-9399	100
CSXT	173500-173529	30
CSXT	360000-360094	95
CSXT	495725-495824	100
FLCX	100-193	94
FLCX	195-255	61
FLCX	257-284	28
FLCX	300-340	41
FLCX	342-599	258
FLOX	3200-3241	42
FLOX	62100-62224	125
FLOX	495360-495399	40
FLOX	983200-983285	86
FLOX	983400-983454	55
FLOX	993200-993286	87
FLOX	993288-993309	22
LW	1000-1008	9
LW	1010-1026	17
LW	1028-1030	3
LW	1032-1046	15
LW	1048-1099	52
LW	6073	1
LW	9000-9224	225
LW	9233	1
LW	9250-9299	50
LW	9500-9577	78
LW	9579-9586	8
LW	9588-9599	12
LW	42000-42048	49
LW	50101	1
LW	50104-50113	10
LW	50115	1
LW	50119-50121	3
LW	50162	1
LW	50166	1
LW	50176	1
LW	50178	1

<u>Car Marks</u>	<u>Car Numbers</u>	<u>No. of Cars</u>
LW	50181-50249	69
LW	50385-50399	15
LW	60900-60924	25
LW	66400-66699	300
LW	73000-73099	100
LW	74050-74099	50
LW	74225-74258	34
LW	74261-74284	24
LW	74286-74315	30
LW	74317-74439	123
LW	74450-74594	145
LW	75000-75083	84
LW	75085-75086	2
LW	75090-75094	5
LW	75096-75099	4
LW	75101-75104	4
LW	75106	1
LW	75108-75110	3
LW	75112-75115	4
LW	75117-75119	3
LW	75124	1
LW	76000-76074	75
LW	470427-470459	33
LW	495400-495499	100
LW	495500-495534	35
LW ¹	1009	1
LW ¹	1027	1
LW ¹	1031	1
LW ¹	1047	1
LW ¹	3277	1
LW ¹	9578	1
LW ¹	9587	1
LW ¹	75084	1
LW ¹	75087-75089	3
LW ¹	75095	1
LW ¹	75100	1
LW ¹	75105	1
LW ¹	75107	1
LW ¹	75111	1
LW ¹	75116	1
LW ¹	75120-75123	4
LW ²	470460-470511	52
LW ²	470513-470529	17
LW ²	470531-470539	9

<u>Car Marks</u>	<u>Car Numbers</u>	<u>No. of Cars</u>
LW ¹	470540-470559	20
MS	3001-3077	77
MS	3079-3110	32
MS	6600-6699	100
MS ¹	3078	1
MS ²	3111-3139	29
NS	22906-23054	149
NS	165860-166059	200
NS	470300-470330	31
NS	470332-470342	11
NS	470344-470426	83
SCNX	448000-448013	14
SCNX	448015-448017	3
SCNX	448019-448027	9
SCNX	448031-448033	3
SCNX	448035-448037	3
SCNX	448039-448040	2
SCNX	448042-448049	8
SCNX	448051	1
SCNX	448053-448054	2
SCNX	448056	1
SCNX	448059-448066	8
SCNX	448069-448070	2
SCNX	448072-448078	7
SCNX	448080-448082	3
SCNX	448084	1
SCNX	448087-448090	4
SCNX	448094-448111	18
SCNX	448113	1
SCNX	448115-448174	60
SCNX	448176-448283	108
SCNX	449100-449125	26
SMIX	6500-6599	100
SMPX	8001-8038	38
SMPX	8040-8300	261
SRY	6000-6072	73
SRY	6074-6077	4
SRY	6079-6085	7
SRY	6087-6093	7
SRY	6095	1
SRY	6097	1
SRY	286000-286019	20
SRY	286021-286059	39
SRY	286135-286189	55

<u>Car Marks</u>	<u>Car Numbers</u>	<u>No. of Cars</u>
SRY ¹	6078	1
SRY ¹	6086	1
SRY ¹	6094	1
SRY ¹	6096	1

Total

5078

¹ Denotes rail cars being delivered. Rail cars are owned by Flex Leasing I, and will be transferred to a different Lessee.

² Denotes Rail Cars which are off lease.

SCHEDULE 2

Descriptions of Commercial Tort Claims

NONE

EXHIBIT A

Form of Security Agreement Supplement

This SECURITY AGREEMENT SUPPLEMENT NO. ____ (this "Supplement"), dated as of _____, 200__, to the Amended and Restated Security Agreement, dated as of October ____, 2001 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement"), made by FLEX LEASING I, LLC (the "Borrower") to BTM CAPITAL CORPORATION, as collateral agent (the "Collateral Agent") for the Secured Parties.

- A. Reference is made to that certain Second Amended and Restated Loan Agreement, dated as of October ____, 2001, among the Borrower, BTM CAPITAL CORPORATION, as Agent and Loan Underwriter, Victory Receivables Corporation, as a lender, Gotham Funding Corporation, as a lender and the other lenders from time to time party thereto (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement").
- B. The Security Agreement was recorded with the Surface Transportation Board on October ____, 2001, under Recordation No. 21888-____, and with the Registrar General of Canada on October ____, 2001, at _____.
- C. The Security Agreement provides for the execution and delivery of one or more supplements thereto substantially in the form hereof, which shall particularly describe the Rolling Stock Collateral included in the property covered by the Security Agreement.
- D. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement and the Loan Agreement.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, as security for the payment or performance, as the case may be, in full of the Secured Obligations, the Borrower hereby confirms and acknowledges the assignment, pledge and grant to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, of a security interest in and lien on, all of the Borrower's right, title and interest in and to the Units of Rolling Stock Collateral described herein.

1. The Units of Rolling Stock Collateral covered by this Supplement are more specifically described on Annex A hereto (which is incorporated herein by this reference) shall be subject to the security interest and lien granted under and on the terms and conditions of the Security Agreement and Loan Agreement.
2. Together with all substitutions or replacements of and additions, improvements, accessories and accumulations to the property above described for which title vests in the Borrower and all property which shall hereafter become attached to or incorporated in the

property above described, whether the same are now owned by the Borrower or shall hereafter be acquired by it.

3. This Supplement shall be construed as supplemental to the Security Agreement and shall form a part of it, and the Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

4. This Supplement is being delivered in the State of New York.

5. This Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Borrower has caused this Supplement to be duly executed by one of its officers, thereunto duly authorized, as of the day and year first above written.

FLEX LEASING I, LLC

Name:

Title: